



WEB RELEASE

THE NATIONAL CONSUMER PRICE INDEX (BASE 2013=100) - NOVEMBER 2020



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1. Introduction

The Department of Census and Statistics (DCS) has released the National Consumer Price Index (NCPI) and Inflation rate for the month of November 2020.

The NCPI has been released monthly from October 2015 with a time lag of 21 days. The NCPI has weights based on consumer spending in 2012/13 Household Income and Expenditure Survey (HIES), and reflects new methods consistent with international best practices. Also, the DCS has rebased the Colombo Consumer Price Index (CCPI) with the base period of 2013 from January 2017, covering the urban areas of Colombo district.

To reflect international recommendations and best practices, the index weights refer to each item's share in the total consumption expenditures of all Sri Lankan households. The provincial weights refer to the consumption expenditures within the province in proportion to the expenditures in the whole country. The index weights are based on expenditure data derived from the Household Income and Expenditure Survey (HIES) conducted in 2012/13. The 2012/13 HIES included all types of consumption expenditures by households, and was broadly representative of all households in the country. The year 2013 is considered as the base year for NCPI.

The national consumer basket includes 407 items which represent the consumption expenditure of all households in Sri Lanka. For the compilation of NCPI, three price quotations are collected for each of the items in every district town. Prices for some items are collected weekly (e.g. fresh fish, rice, vegetables, fruits, coconut etc.), while prices for other items are collected once every two weeks (e.g. leafy vegetables, dried fish, spices, etc.), monthly (e.g. Textile, Footwear, Non-durable household goods etc.) or quarterly (e.g. Consumer durables (furniture), Building materials, Pharmaceutical items etc.). The frequency of price collection is determined by on an average how frequently price changes take place.

2. Month on Month (M on M) change of NCPI:

The NCPI for all items for the month of November 2020 was 139.8. An increase of 0.7 index points or 0.5 percentage compared to October 2020 for which the index was 139.1. This increase represents increase in expenditure value of Rs. 209.66 in the "Market Basket".

Monthly changes of index numbers, expenditure values and percentage change of index numbers are given in the following table (Table 01).

Table 01: Monthly Changes by Main Groups of Market Basket

Main Group	Index Number			Monthly Changes of the Expenditure Value (Rs.)			Monthly changes of the index (%)		
	Nov 2019	Oct 2020	Nov 2020	Nov 2019	Oct 2020	Nov 2020	Nov 2019	Oct 2020	Nov 2020
All Items	132.9	139.1	139.8	329.06	73.40	209.66	0.78	0.16	0.47
Food and Non Alcoholic Beverages	134.1	145.6	146.7	329.66	64.16	153.74	0.78	0.14	0.34
Non Food	132.0	134.0	134.3	-0.61	9.25	55.92	0.00	0.02	0.13
Alcoholic Beverages, Tobacco and Narcotics	201.5	228.1	223.4	-10.27	-16.66	-34.29	-0.02	-0.04	-0.08
Furnishing, Household equipment and Routine household maintenance	130.6	131.3	130.9	3.58	4.83	-4.26	0.01	0.01	-0.01
Transport	117.6	119.6	122.6	4.16	0.00	92.81	0.01	0.00	0.21
Other Groups	131.7	132.4	132.4	1.93	21.07	1.66	0.00	0.05	0.00

Note 1: There are 12 main groups of the market basket. Monthly significant changes were noted in four main groups in November 2020, details on which are given in Table 02.

Note 2: For the November 2020, insignificant groups 'Clothing and Footwear', 'Miscellaneous Goods and Services' and unchanged groups 'Housing, Water, Electricity, Gas and Other Fuels', 'Health', 'Communication', 'Recreation and Culture', 'Education' and 'Restaurants and Hotels' are considered as the 'Other Groups'.

Contribution to Month-on-Month Changes:

Contributions to the NCPI on Month-on-Month basis (November 2020 as compared October 2020) are given in Table 02. The month-on-month change was contributed by increases of index value of food items by 0.34% and non-food items by 0.13% respectively.

2.1.1. Contribution of Food items: 0.34%

As shown in Table 02, the increases in index values were reported for Rice (0.13%), Big onions (0.13%), Coconuts (0.12%), Potatoes (0.10%), Red onions (0.08%), Mysour dhal (0.03%), Limes(0.02%), Vegetables (0.02%), Coconut oil (0.02%), Tamarind(0.02%), Dried fish(0.02%), Chili powder (0.01%), Garlic (0.01%), Dried chillies (0.01%), Turmeric powder (0.01%), Green gram (0.01%), Jak and jak seeds (0.01%) and Curry powder (0.01%). However, decreases in index values were reported for Fresh fish (0.30%), Fresh fruits (0.08%), Sugar (0.03%), Eggs (0.02%) and Chicken (0.01%).

2.1.2. Contribution of Non-food items: 0.13%

The increases in index values of non-food groups in November 2020 compared to the previous month was mainly due to the price increase in group of items 'Transport' (*Bus fare*) (0.21%). Further, very slight price increases were reported in groups of 'Clothing and Footwear' and 'Miscellaneous Goods and Services' compared to the preceding month. However, price decreases in groups of items were reported in 'Alcoholic Beverages, Tobacco & Narcotics' (*Betel leaves, Arecanuts*) (0.08%) and 'Furnishing, Household equipment and Routine household maintenance' (0.01%) compared to the preceding month. Meanwhile, the price indices of 'Housing, Water, Electricity, Gas and Other fuels', 'Health', 'Communication', 'Recreation and Culture', 'Education' and 'Restaurants and Hotels' groups remained unchanged during the month.

**Table 02: Contribution to the increase in NCPI (Base 2013=100) on Month-on-Month basis
(November 2020 as compared to October 2020)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase	Decrease	Net effect
Food	153.74	0.79	0.44	0.34
Rice	60.15	0.13		
Big onions	59.45	0.13		
Coconuts	55.36	0.12		
Potatoes	44.36	0.10		
Red onions	35.74	0.08		
Mysour dhal	11.79	0.03		
Limes	10.75	0.02		
Vegetables	9.80	0.02		
Coconut oil	8.62	0.02		
Tamarind	7.45	0.02		
Dried fish	7.22	0.02		
Chili powder	6.44	0.01		
Garlic	6.28	0.01		
Dried chilies	5.20	0.01		
Turmeric powder	4.28	0.01		
Green gram	3.89	0.01		
Jak and jak seeds	3.34	0.01		
Curry powder	3.07	0.01		
Fresh fish	-133.47		0.30	
Fresh fruits	-36.09		0.08	
<i>Banana</i>	-21.60		0.05	
<i>Papaw</i>	-11.16		0.02	
<i>Mangoes</i>	-2.35		0.01	
Sugar	-15.27		0.03	
Eggs	-8.96		0.02	
Chicken	-3.80		0.01	
Other food items	8.12	0.02		
Non Food	55.92	0.21	0.09	0.13
Alcoholic Beverages, Tobacco & Narcotics	-34.29		0.08	
<i>Arecanuts</i>	-31.53		0.07	
<i>Betel leaves</i>	-3.63		0.01	
Furnishing, Household Equipment and Routine Household Maintenance	-4.26		0.01	
Transport	92.81	0.21		
<i>Bus fare</i>	92.01	0.21		
Other Groups	1.66	0.00		
All Items	209.66			0.47

3. Inflation

The NCPI is a macroeconomic indicator compiled to measure inflation which is defined as a sustained increase in the general level of prices for goods and services and it is measured as an annual percentage increase by NCPI. Inflation can be measured in two ways. One measure is the Year-on-Year base or Point-to-Point inflation (The percentage change in the current month CPI over same month CPI of last year). The other measure is Moving Average Inflation (The percentage difference between the average Price Indices of last 12 months & the average Price Indices of previous 12 months).

Table 03: Movements of the NCPI (Base: 2013=100)

Year	Month	All Item				Food				Non Food			
		Index Number	% Change Month on Month	Inflation %		Index Number	% Change Month on Month	Inflation %		Index Number	% Change Month on Month	Inflation %	
				Y on Y	12 Month Moving Avg.			Y on Y	12 Month Moving Avg.			Y on Y	12 Month Moving Avg.
2019	October	131.9	1.0	5.6	2.8	131.7	2.3	7.3	-1.1	132.0	-0.1	4.3	6.0
	November	132.9	0.8	4.1	3.0	134.1	1.8	4.0	-0.5	132.0	0.0	4.2	5.9
	December	135.0	1.6	6.2	3.5	139.5	4.0	8.6	0.7	131.4	-0.5	4.2	5.8
2020	January	137.0	1.5	7.6	4.1	143.0	2.5	13.7	2.2	132.3	0.7	3.0	5.5
	February	137.0	0.0	8.1	4.5	142.9	-0.1	16.3	3.8	132.4	0.1	2.1	5.1
	March	135.2	-1.3	7.0	4.9	138.5	-3.1	14.1	5.1	132.6	0.2	1.8	4.7
	April	134.8	-0.3	5.9	5.1	137.5	-0.7	12.2	6.2	132.6	0.0	1.1	4.2
	May	135.4	0.4	5.2	5.2	139.0	1.1	11.1	7.2	132.6	0.0	0.8	3.7
	June	137.3	1.4	6.3	5.6	143.2	3.0	13.6	8.6	132.6	0.0	0.8	3.2
	July	137.3	0.0	6.1	5.9	142.8	-0.3	12.9	9.9	133.0	0.3	1.0	2.8
	August	137.8	0.4	6.2	6.1	143.5	0.5	13.2	11.0	133.4	0.3	1.1	2.4
	September	138.9	0.8	6.4	6.2	145.1	1.1	12.7	11.6	133.9	0.4	1.4	2.1
	October	139.1	0.1	5.5	6.2	145.6	0.3	10.6	11.9	134.0	0.1	1.5	1.9
	November	139.8	0.5	5.2	6.3	146.7	0.8	9.4	12.3	134.3	0.2	1.7	1.7

The Year-on-Year change reported for November 2020 in Table 03 does not tally with the Year-on-Year change reported in Table 04 due to rounding off.

3.1. Year-on-Year Inflation

The overall rate of inflation as measured by NCPI on Year-on-Year basis is 5.2% in November 2020 and inflation calculated for October 2020 was 5.5% (Table 03). Year-on-Year inflation of food group has decreased from 10.6% in October 2020 to 9.4% in November 2020 while that of non food group has increased from 1.5% to 1.7% during the month.

Contribution to Year-on-Year inflation:

On Year-on-Year basis, contribution of food commodities to inflation was 4.18 percent in November 2020 compared to that of November 2019 (Table 04).

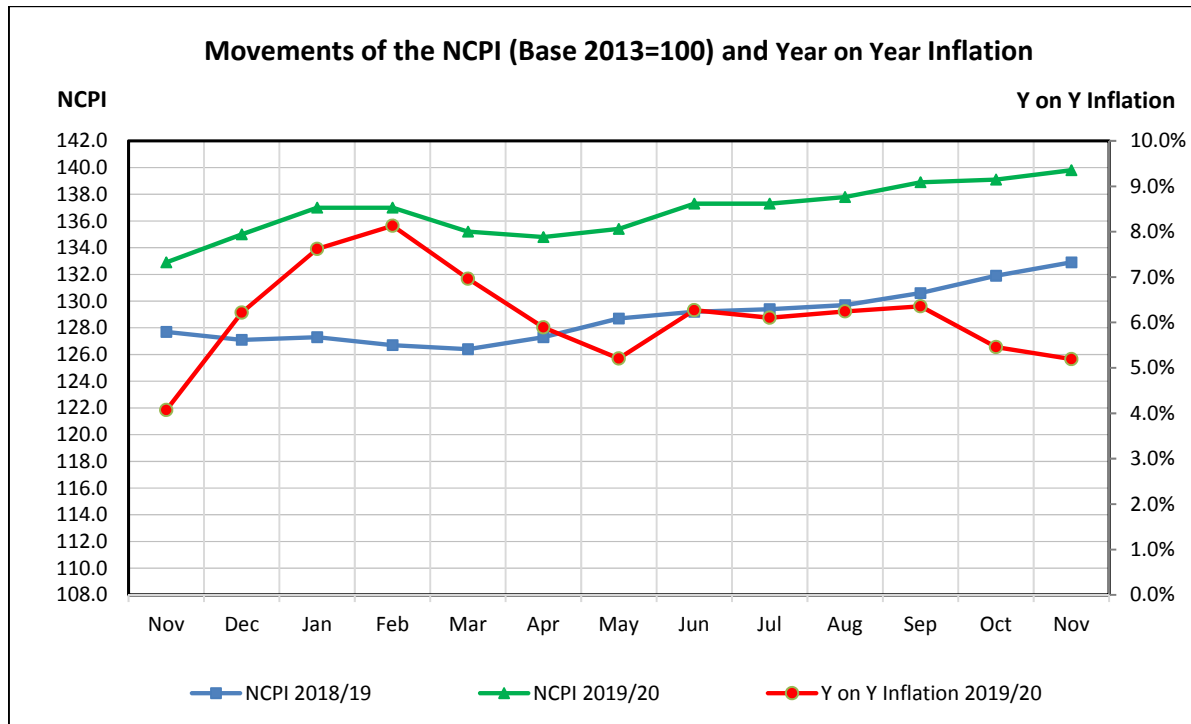
Contribution of non-food items was 0.96 percent. This was mainly due to price increases in groups of 'Alcoholic beverages, Tobacco and Narcotics' (0.37%), 'Transport' (0.36%), 'Housing, Water, Electricity, Gas and Other fuels' (0.14%), 'Restaurant and Hotels' (0.12%), 'Education' (0.09%), 'Clothing and Footwear' (0.08%), 'Miscellaneous Goods and Services' (0.08%) and 'Furnishing, Household equipment and Routine household maintenance' (0.01%). However, decreases in prices were reported for groups of 'Communication' (0.22%) and 'Health' (0.08%). Also, slight decrease in price was reported in group of 'Recreation and Culture'.

**Table 04: Contribution to the increase in NCPI (Base 2013=100) on Year-on-Year basis
(November 2020 as compared to November 2019)**

Sub Group/Commodity	Value change			
	Rs. cts	% Change		
		Increase %	Decrease %	Net effect %
Food	1786.81			4.18
<i>Coconuts</i>	735.09	1.72		
<i>Turmeric powder</i>	236.66	0.55		
<i>Coconut oil</i>	196.74	0.46		
<i>Rice</i>	175.36	0.41		
<i>Sugar</i>	103.27	0.24		
<i>Chili powder</i>	90.36	0.21		
Non Food	409.31	1.26	0.30	0.96
Alcoholic beverages, Tobacco and Narcotics	159.70	0.37		
<i>Arecanuts</i>	86.84	0.20		
<i>Bulathwita</i>	66.04	0.15		
Clothing and Footwear	33.24	0.08		
<i>Clothing</i>	33.24	0.08		
Housing, Water, Electricity, Gas and Other fuels	60.88	0.14		
<i>Housing Rent</i>	79.51	0.19		
<i>Material for the maintenance</i>	-11.88		0.03	
<i>Water Bill</i>	-6.75		0.02	
Furnishings, Household equipment and Routing household maintenance	3.70	0.01		
Health	-33.59		0.08	
<i>Purchase of medical/pharmacy products</i>	10.53	0.02		
<i>Fees to private medical practices</i>	2.93	0.01		
<i>Consultation fees to specialists</i>	3.24	0.01		
<i>Payments to medical laboratories</i>	-39.66		0.09	
<i>Payments to private hospitals room charges</i>	-10.62		0.02	
Transport	155.59	0.36		
<i>Purchase of vehicles</i>	30.67	0.07		
<i>Lubricating oil</i>	2.79	0.01		
<i>Cost of servicing of vehicles</i>	19.14	0.04		
<i>Bus fare</i>	92.01	0.22		
<i>Airline fare</i>	11.12	0.03		
Communication	-92.97		0.22	
<i>Telephone charges - Home fixed phone</i>	-31.73		0.07	
<i>Telephone charges - mobile</i>	-58.64		0.14	
<i>Email/internet charges</i>	-2.61		0.01	
Recreation and Culture	-1.47		0.00	
Education	39.05	0.09		
<i>Tuition fees</i>	39.38	0.09		
Restaurant and Hotels	51.72	0.12		
Miscellaneous Goods and Services	33.46	0.08		
<i>Hair cutting and shaving charges</i>	24.11	0.06		
<i>Car Insurance</i>	10.88	0.03		
All Items	2196.13			5.14

3.2. Moving Average Inflation

The moving average inflation for the month of November 2020 is 6.3%. The corresponding rate for the month of October 2020 was 6.2%.



Information Note on Implications of second wave of COVID-19 on the National Consumer Price Index (NCPI): November 2020

To keep the higher accuracy of the Consumer Price Index, the majority of price data are collected by personal visits by the DCS price collecting officers.

The data collection by personal visit for the Colombo district was challenging due to the second wave of COVID-19 pandemic situation. In Colombo district, during the month of November 2020 prices data that were previously collected from outlets by personal visits were collected using phone by the DCS price collecting officers from outlets which were open.

Also, for the Colombo district considered other available food price data sources for the month of November 2020.

In particular, the collection of prices has become increasingly difficult. Issues and challenges include increased numbers of missing items in sampled outlets, the temporary closure of retail outlets etc.

When facing numbers of missing prices, it is important to mentioned that all temporarily missing prices were imputed using the methods described in Consumer Price Index Manual.

The other 24 districts prices data were collected by personal visits by the DCS price collecting officers on regular manner for the month of November 2020.

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